

From Research Desk

03, August 2023

Equity Corner:

- Nifty 50 index:** The index opened on a negative note with a gap-down of 78 points on the back of weak global cues as markets reacted on the news of Fitch ratings downgrading the US to AA+ from AAA. Post opening; selling pressure was evident in counters like HEROMOTOCO (-3.49%), TATASTEEL (-3.25%) and SBIN (-2.13%) as the index formed a lower high and lower low structure which led the index break multiple support zone of 19,600 and 19,500. This indicates the day was clearly in the favour of bears. However; during the closing hours, buying was seen from lowers levels as the index recovered 100 points and ended the session with a loss of 207 (-1.05%) points
- Bank Nifty:** Marginal underperformance was evident as the index opened with a similar setup when compared to Nifty 50. Selling pressure was seen in SBIN (-2.13%), AXISBANK (-1.56%) and HDFCBANK (-1.22%) which kept the sector in line as the index closed with a loss of 597 (-1.31%) points.
- Market breadth:** The market breadth was negative, indicating overall weakness in stock price during the session.
- Sectorial performance:** The sectorial performance was weak as every sector ended the session on a negative note. METALS (-2.02%) and PSUBANK (-2.61%) were among the weak sectors.
- Nifty Midcaps:** The midcaps saw profit booking after multiple sessions of outperformance as counters such as ABCAPITAL (-3.26%), TATACHEM (-2.88%) and BHARATFORG (-2.84%) led the index close down by -1.33%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 518/1546 indicating a higher number of declining stocks compared to advancing ones.
- FII and DII Activity:** FII's were net sellers in cash segment of around Rs. -1877 crores while DIIs sold around Rs. 2.23 crores.

Derivative corner:

- Nifty OI Put/Call ratio:** Nifty OI Put/Call ratio has come down from 0.92 to 0.75 levels indicating weakness.
- Options data:** The maximum Call OI is seen at 19,600, 19,700 and 19,800 while maximum Put OI is seen at 19,500 and 19,400. This indicates that the market is expecting a trading range of 19,400 to 19,600 zones.
- FII Activity in Derivatives:** Long covering is seen in index futures. On options buying front; there are more call buyers and on option writing front; net call-put writing is indicating dominance of call writers. FII Long/Short ratio in index futures has come down from 51% to 49% indicating more short contracts.

Take on Market:

- Earnings:** The market is discounting the Q1FY24 earnings update by corporates which so far has been in line with analyst expectation (near mean). Financials have been an all-round beat.
- Market Outlook:** The current strategy is to buy on corrections and hold onto long positions. However, there might be volatility with a profit-taking bias in the Indian market over the next 15/20 trading sessions.
- Relative Outperformance:** The medium-term relative outperformance of Indian markets compared to global peers is expected to continue.

Indices	Close	Previous	Chg. %
Sensex	65,782.8	66,459.3	-1.02%
Nifty	19,526.6	19,733.6	-1.05%
BANK Nifty	44,995.7	45,592.5	-1.31%
DJIA (Dow)	35,282.5	35,630.7	-0.98%
NASDAQ	13,973.5	14,283.9	-2.17%
S&P 500	4,513.4	4,576.7	-1.38%
DAX	16,020.0	16,240.4	-1.36%
CAC 40	7,312.8	7,406.1	-1.26%

Sector Index	Close	Previous close	Change %
PSU Bank	4,476.5	4,596.4	-2.61%
Nifty IT	30,043.6	30,288.7	-0.81%
Nifty FMCG	52,368.7	52,501.2	-0.25%
Nifty Pharma	14,943.4	15,001.3	-0.39%
Nifty Energy	26,352.4	26,783.5	-1.61%
Nifty Metal	6,633.5	6,770.2	-2.02%
Nifty Commodity	6,306.6	6,405.1	-1.54%
Nifty PSE	5,395.2	5,512.2	-2.12%

Bond Yields	Percentage
US 10 year	4.10%
US 2 year	4.89%
India 10 year	7.15%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-1,877.84	586.69	141912.15

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
DIVISLAB	1.52	HEROMOTOCO	-3.49
NESTLEIND	0.94	TATASTEEL	-3.25
HINDUNILVR	0.82	TATAMOTORS	-3.21
ASIANPAINT	0.54	BAJAJFINSV	-3.02
TECHM	0.35	NTPC	-2.64
ULTRACEMCO	-0.02	EICHERMOT	-2.62
HDFCLIFE	-0.19	HINDALCO	-2.35
DRREDDY	-0.21	COALINDIA	-2.31

Currencies	D/D	MTD	YTD
DXY	0.33%	0.74%	-1.80%
INR	0.47%	0.60%	-0.02%

Participant wise Open Interest	02/08/2023	01/08/2023	02/08/2023	01/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-4,343	5,420	53,249	75,302
Pro	-6,185	2,628	2,13,382	1,88,974

Participant wise Open Interest	02/08/2023	01/08/2023	02/08/2023	01/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	89,283	1,22,158	2,32,033	2,03,212
Pro	3,38,735	-1,13,314	7,85,688	76,803

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.8339	-0.85%	-2.12%	1.69%
Aluminium	USD/T	2214.5	0.07%	-0.76%	-4.18%
Zinc	USD/T	2496	0.91%	-0.12%	-16.88%
Tin	USD/T	27724	-4.07%	-4.43%	10.79%
Rubber	USD Cents/Kg	128.8	-0.46%	-1.75%	-2.79%
Coal	USD/T	134	0.00%	0.00%	-65.84%
Steel	CNY/T	3681	-2.44%	-2.18%	-8.26%
Gold	USD/t.Oz	1937.87	-0.38%	-1.07%	6.13%
Crude Oil	USD/Bbl	79.864	-0.32%	-0.89%	3.27%
Agriculture					
Cotton	USD/Lbs	84.87	-2.02%	-0.22%	2.16%
Wheat	USD/Bu	641.39	-10.02%	-8.93%	-17.44%
Rice	USD/cwt	15.935	0.92%	1.98%	-13.41%
Sugar	USD/Lbs	24.2	-0.78%	1.17%	22.82%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Interglobe Aviation: It reported revenue of Rs 16,683 Crores, +29.78% Y/Y & +17.82% Q/Q, EBITDA stood at Rs 5,211 Crores, 626.78% Y/Y & +75.63% Q/Q, EBITDA margin came at +31.24%, +25.66% Y/Y & +10.28% Q/Q and PAT of Rs 3,091 Crores, +390.51% Y/Y & +236.34% Q/Q. Capacity increased by 18.8% to 32.7 billion. Passenger numbers increased by 30.1% to 26.2 million. Average fuel prices decreased by 22.5% leading to decrease in fuel CASK by 26.6% to INR 1.60. During this quarter, the company has placed a new order for 500 aircraft. This is in addition to previous order of around 480 aircraft which are yet to be delivered. With this additional order of 500 aircraft, total outstanding orderbook has now almost a 1,000 aircraft yet to be delivered till middle of the next decade. IndiGo operated at a peak of 1,873 daily flights during the quarter including non-scheduled flights. During the quarter, provided scheduled services to 78 domestic destinations and 22 international destinations. Outlook, positive.

Titan company Ltd: It reported revenue of Rs 11,070 Crores, +21.24% Y/Y & +17.53% Q/Q, EBIT stood at Rs 1,111 Crores, -2.29% Y/Y & +2.49% Q/Q, EBIT margin came at +10.04%, -2.42% Y/Y & -1.47% Q/Q and PAT of Rs 756 Crores, -4.30% Y/Y & +2.72%. The jewelry business remained the star performer with a 19% growth on YOY basis. The company's India business grew by 20 percent in the same period driven by healthy demand during Akshaya Tritiya and an attractive gold exchange program. The Buyer growth was 14 percent and the average ticket sizes moved up by 6 percent compared to Q1FY23. The watches and wearables business recorded a total income of ,890 crores, up by 13 percent compared to Q1FY23 backed by a strong growth of 81 percent in the Wearables segment.

MAS Financial Services: It reported an interest income of Rs 248 Crores, +42.53% Y/Y & +2.06% Q/Q, PAT of Rs 58 Crores, +26.09% Y/Y & +1.75% Q/Q. The asset under management (AUM) stood at Rs 8,868 Crores, +32.68% Y/Y & +9.58% Q/Q. The asset quality remained neutral with gross stage 3 (GNPA) at 2.13%, 14bps lower on Y/Y & 2bps lower Q/Q, while the net stage 3 (NNPA) at 1.47%, 16bps lower Y/Y and 5bps lower Q/Q.

Adani Wilmar: It reported revenue of Rs 12,928 Crores, -12.20% Y/Y & -6.81% Q/Q, EBITDA stood at Rs 130 Crores, -70.65% Y/Y & -63.79% Q/Q, EBITDA margin came at +1.01%, -2% Y/Y & -1.58% Q/Q and PAT of Rs -79 Crores. Segment Mix for the quarter stood at 76% of Edible oil, 16% of industry essential and 8% of food and FMCG. Edible oil imports grew 19% YoY in Q1 FY24. Soft oils imports (soyabean & sunflower oil) were higher due to low prices. Demand for packaged foods is expected to stay healthy. Volume rose 25% with broad-based growth across all segments.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	24%	15%
Maruti Suzuki	8641	10629	12%	10%
Eicher Motors	3161	4375	5%	31%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,527)

Support - 19,300
Resistance - 19,800

• Nifty closed negative and is expected to consolidate between 19,300 - 19,800.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,650	20,200	19,500

BANK NIFTY (44,996)

Support - 44,500
Resistance - 45,800

• BankNifty closed negative for the day and is expected to consolidate between 44,500 - 45,800.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 45,300	46,000	44,900

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
ICICIBANK	Buy	Call	1,000	31Aug, 2023	13.90	18.00	12.00
TCS	Sell	Put	3,440	31Aug, 2023	55.00	20.00	70.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Hindustan Unilever	2566	2640	2530	0%	3%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Granules	325.25	346	315	-2%	9%
Berger Paints	700	750	675	2%	5%
India Cements	219	237	210	-2%	10%
Bharat Forge	912	996	870	-1%	10%
Bharat Dynamics	1206	1300	1160	-1%	9%
Ultratech Cement	8360	8680	8200	-1%	5%
Indian Bank	335	355	325	3%	3%
National Aluminium Company	94.7	103	91	-3%	12%
Muthoot Finance	1330	1450	1270	1%	7%
Manappuram Finance	135.2	150	128	-1%	12%
Bajaj Auto	4900	5200	4750	-1%	8%
Balkrishna Industries	2442	2630	2350	1%	6%
Grasim	1843	1930	1800	-1%	6%
Jindal Steel	647	700	620	0%	9%
SBI	603	650	580	-1%	9%
Apollo Tyre	427.5	453	415	-1%	7%
Exide Industries	259	287	245	0%	11%
Lic Housing Finance	404	432	390	3%	4%
ICICI prudential Life Insurance Company	573	620	550	-1%	9%
Hindalco	460	480	450	-1%	6%
Lupin	990	1075	948	0%	8%

Pivot Table - NIFTY 50

Trading Guideline

- ❖ This model is based on the premise that the PIVOT is the most important price level that decides the intraday trend. Much like how the door or a window hangs by a hinge and sways in the wind, the intraday trend also hangs by this PIVOT LEVEL and swings because of the Demand supply, volatility and market sentiments prevailing in the market. Hence its importance in intraday trading.
- ❖ Wait for the market price to stabilize after opening the first 30 minutes of trading.
- ❖ Opening Price is considered around the close of the Previousday. Avoid BUYING if prices open abnormally high and avoid selling if prices open too low.
- ❖ If the market price is stable above the pivot level after 20-30 minutes of opening, then GO LONG and book profit near the resistant level (R1 & R2).
- ❖ If the market price is stable below the pivot level after 20-30 minutes of opening, then GO SHORT and book profit near the support level (S1 & S2)

Stop Loss

Since you are aware of the 'potential returns at the time of initiating an intraday trade (difference between the entry price and profit targets), you should set up an appropriate STOP LOSS around 1% above / below of the trade price or a level comfortable to you, to protect yourself if the market turns and goes against you.

Alternate Strategy

If you have already initiated a trade with clear-cut profit targets and a stop loss level, and find during the course of the trading day that the market turns and goes the other way and crosses the TREND LEVEL, then trade again: For instance, if your first trade was a LONG trade and the market price drops through the TREND LEVEL to lower price levels, then GO SHORT and if your first trade was a SHORT trade and the market price rises through the TREND LEVEL to higher price levels, then GO LONG.

S1, S2 are the immediate support levels.

R1, R2 are the immediate resistance levels.

	S1	S2	PIVOT	R1	R2
ADANIEN	2450	2419	2482	2513	2545
ADANIPTS	754	742	764	777	786
APOLLOHOSP	4999	4953	5021	5066	5089
ASIANPAINT	3322	3306	3347	3364	3388
AXISBANK	949	932	954	971	976
BAJAJ-AUTO	4866	4785	4902	4982	5018
BAJAJFINSV	1548	1512	1560	1597	1609
BAJFINANCE	7197	7099	7244	7342	7389
BHARTIARTL	883	869	887	901	905
BPCL	372	364	375	383	387
BRITANNIA	4783	4742	4811	4852	4880
CIPLA	1163	1142	1174	1194	1205
COALINDIA	235	228	239	246	250
DIVISLAB	3581	3520	3638	3698	3756
DRREDDY	5636	5605	5666	5698	5728
EICHERMOT	3341	3235	3385	3491	3535
GRASIM	1821	1796	1830	1855	1864
HCLTECH	1131	1118	1134	1146	1149
HDFC	1653	1634	1652	1671	1671
HDFCBANK	639	634	642	647	650
HDFCLIFE	3052	2961	3062	3153	3163
HEROMOTOCO	458	448	460	470	471
HINDALCO	2532	2515	2553	2570	2590
HINDUNILVR	986	974	990	1003	1007
ICICIBANK	1382	1363	1388	1407	1413
INDUSINDBK	1353	1339	1363	1377	1386
INFY	461	456	463	468	470
ITC	811	795	815	831	834
JSWSTEEL	1835	1812	1841	1865	1871
KOTAKBANK	2646	2603	2645	2688	2687
LT	4909	4807	4943	5045	5079
M&M	1477	1455	1487	1509	1519
MARUTI	9580	9414	9687	9853	9960
NESTLEIND	22380	22231	22659	22807	23087
NTPC	221	215	223	229	231
ONGC	174	172	177	179	181
POWERGRID	248	244	251	255	258
RELIANCE	2489	2452	2501	2537	2549
SBILIFE	1264	1242	1274	1296	1307
SBIN	604	591	607	620	623
SUNPHARMA	1135	1122	1139	1152	1157
TATACONSUM	848	835	852	865	868
TATAMOTORS	630	609	637	658	665
TATASTEEL	121	117	122	126	127
TCS	3436	3408	3441	3468	3474
TECHM	1130	1114	1141	1157	1168
TITAN	2979	2947	2992	3025	3038
ULTRACEMCO	8231	8171	8273	8333	8375
UPL	618	608	624	633	639
WIPRO	404	398	405	410	412

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